

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1603 - HB 2074**

March 30, 2011

**SUMMARY OF BILL:** Adds a provision to current law that, upon the filing of a civil suit or institution of a criminal prosecution in which any person and a state agency or state employee are participants, the applicable statute of limitations for the filing of a claim with the Claims Commission arising from the circumstance from which the civil suit or criminal prosecution arose by such person against an employee of such agency, will cease to run until a final order is rendered by the court. This provision will only apply if the claim is within the jurisdiction of the Claims Commission and shall apply to suits filed or prosecutions instituted on or after July 1, 2011. Under current law, the statute of limitations for filing a claim against the state is one year from the date of the accident for a personal injury claim and three years for property damage.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures –**

**\$120,000/Risk Management Fund**

**Exceeds \$100,000/Department of Human Services**

**Assumptions:**

- The fiscal impact of this bill is dependent upon several unknown factors, such as the number of civil and criminal cases brought to court involving a person and either a state agency or state employee; the extent of any applicable statute of limitations under current law; the extent to which any applicable statute of limitations would be effectively extended as a result of this bill; the extent to which plaintiffs prevail; and the extent of awarded claims to prevailing plaintiffs.
- According to the Department of Treasury, this will increase the number of claims filed against the State that must be defended. It could increase the number of claims that are paid because the statute of limitations defense will no longer apply in some claims. The Department of Treasury estimates the bill will create 12 additional claim payments per year from the Risk Management Fund at an average of \$10,000 per claim totaling \$120,000.
- According to the Department of Human Services (DHS), the state will incur additional expenditures for settlements with DHS contractors that would not have otherwise been paid because the statute of limitations would have expired under current law. The extent of additional settlement payments in any given year is unknown. However, the increase

in state expenditures for DHS related contractors is reasonably estimated to exceed \$100,000 per year.

- Any additional administrative costs to the Attorney General's Office associated with this bill will be not significant and can be handled within existing budgetary expenditures of the agency.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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